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NEW CHAPTERS IN

THE WARFARE OF SCIENCE



BY

ANDREW DICKSON WHITE, LL. D., L. H. D.

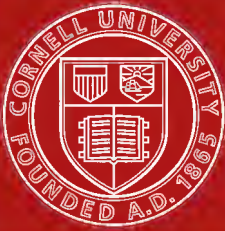
EX-PRESIDENT OF CORNELL UNIVERSITY

XIV. THEOLOGY AND POLITICAL ECONOMY

REPRINTED FROM THE POPULAR SCIENCE MONTHLY
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NEW CHAPTERS IN
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XIV.

THEOLOGY AND POLITICAL ECONOMY.

AMONG questions on which the supporters of right reason in political and social science have only conquered theological opposition after centuries of war, is the taking of interest on loans. In hardly any struggle has rigid adherence to the letter of our sacred books been more prolonged and injurious.

Certainly, if the criterion of truth, as regards any doctrine, be that of St. Vincent of Lerins, that it has been believed in the Church "always, everywhere, and by all," then on no point may a Christian of these days be more sure than that every savings institution, every loan and trust company, every bank, every loan of capital by an individual, every means by which accumulated capital has been lawfully lent even at the most moderate interest, to make men workers rather than paupers, is based on deadly sin.

The early evolution of the belief that taking interest for money is sinful presents a curious working-together of metaphysical, theological, and humanitarian ideas.

In the great center of ancient Greek civilization, the loaning of money at interest came to be accepted at an early period as a condition of productive industry, and no legal restriction was imposed. In Rome there was a long process of development. The greed of creditors in early times led to laws against the taking of interest, but, though these lasted long, that strong practical sense, which gave Rome the empire of the world, substituted finally, for this absolute prohibition, the establishment of rates fixed by law. Yet many of the leading Greek and Roman thinkers opposed this practical settlement of the question, and, foremost of all, Aristotle. In a metaphysical way he declared that money is by nature "barren"; that the birth of money from money is therefore "unnatural"; and hence that the taking of interest is to be censured and hated. Plato, Plutarch, both the Catos, Cicero, Seneca, and various other leaders of ancient thought arrived at much the same conclusion—sometimes, from sympathy with oppressed debtors; sometimes, from hatred of usurers; sometimes, from simple contempt of trade.

From these sources there came into the early Church the germ of a theological theory upon the subject.

But far greater was the stream of influence from the Jewish and Christian sacred books. In the Old Testament stood a multitude of texts condemning usury, the term usury meaning any

taking of interest; the law of Moses, while it allowed usury in dealing with strangers, forbade it in dealing with Jews. In the New Testament stood the text in St. Luke, "Lend, hoping for nothing again." These texts seemed to harmonize with the Sermon on the Mount, and with the most beautiful characteristic of primitive Christianity; its tender care for the poor and oppressed: hence we find, from the earliest period, the whole weight of the Church brought to bear against the taking of interest for money.*

The great fathers of the Eastern Church, and among them St. Basil, St. Chrysostom, and St. Gregory of Nyssa; the fathers of the Western Church, and among them Tertullian, St. Ambrose, St. Augustine, and St. Jerome joined most earnestly in this condemnation. St. Basil denounces money at interest as a "fecund monster," and says, "The divine law declares expressly, 'Thou shalt not lend on usury to thy brother or thy neighbor.'" St. Gregory of Nyssa calls down on him who lends money at interest the vengeance of the Almighty. St. Chrysostom says: "What can be more unreasonable than to sow without land, without rain, without plows? All those who give themselves up to this damnable culture shall reap only tares. Let us cut off these monstrous births of gold and silver; let us stop this execrable fecundity." Lactantius called the taking of interest "robbery." St. Ambrose declared it as bad as murder. St. Jerome threw the argument into the form of a dilemma, which was used as a weapon against money-lenders for centuries. St. Anselm proved from the Scriptures that the taking of interest is a breach of the Ten Commandments. Pope Leo the Great solemnly adjudged the same offense to be a sin worthy of severe punishment.†

* On the general allowance of interest for money in Greece, even at high rates, see Böckh, *Public Economy of the Athenians*, translated by Lamb, Boston, 1857, especially chaps. xxii, xxiii, and xxiv of Book I. For view of usury taken by Aristotle, see his *Politics and Economics*, translated by Walford, p. 27; also Grote, *History of Greece*, vol. iii, chap. xi. For summary of opinions in Greece and Rome, and their relation to Christian thought, see Böhm-Bawerk, *Capital and Interest*, translated by Smart, London, 1890, chap. i. For a very full list of Scripture texts against the taking of interest, see Pearson, *The Theories of Usury in Europe, 1100-1400*, Cambridge (England), 1876, p. 6. The texts most frequently cited were: Leviticus, xxv, 36, 37; Deuteronomy, xxiii, 19 and 26; Psalms, xv, 5; Ezekiel, xviii, 8 and 17; St. Luke, vi, 35. For a curious modern use of them, see D. S. Dickinson's speech in the Senate of New York in vol. i of his collected writings. See also Lecky, *History of Rationalism in Europe*, vol. ii, chap. vi; and, above all, as the most recent historical summary by a leading historian of political economy, Böhm-Bawerk as above.

† For St. Basil and St. Gregory of Nyssa, see French translation of these diatribes in *Homélies contre les Usuriers*, Paris, Hachette, 1861-62, especially p. 30 of St. Basil. For some doubtful reservations by St. Augustine, see Murray, *History of Usury*. For St. Ambrose, see the *De Officiis*, lib. iii, cap. ii, in Migne, *Patrologia*, tome xvi; also the *De Tobia*, in Migne, tome xiv. For St. Augustine, see *De Bapt. contra Donat*, lib. iv, cap.

This unanimity of the fathers of the Church brought about a crystallization of hostility to interest-bearing loans into numberless decrees of popes and councils and kings and legislatures throughout Christendom during more than fifteen hundred years; and the canon law was shaped in accordance with these. At first these were more especially directed against the clergy, but we soon find them extending to the laity. These prohibitions were enforced by the Council of Arles in 314, and a modern church apologist insists that every great assembly of the Church, from the Council of Elvira in 306 to that of Vienne in 1311, inclusive, solemnly condemned lending money at interest. The greatest rulers under the sway of the Church—Justinian, in the Empire of the East; Charlemagne, in the Empire of the West; Alfred, in England; St. Louis, in France—yielded fully to this dogma. In the ninth century Alfred went so far as to confiscate the estates of money-lenders, denying them burial in consecrated ground; and similar decrees were made in other parts of Europe. In the twelfth century the Greek Church seems to have relaxed its strictness somewhat, but the Roman Church grew more severe. Peter Lombard, in his *Sentences*, a great source of orthodox theology, makes the taking of interest purely and simply theft. St. Bernard, reviving religious earnestness in the Church, took the same view. In 1179 the Third Council of the Lateran decreed that impenitent money-lenders should be excluded from the altar, from absolution in the hour of death, and from Christian burial. Pope Urban III reiterated the declaration that the passage in St. Luke forbade the taking of any interest whatever. Pope Alexander III declared that the prohibition in this matter could never be suspended by dispensation.

In the thirteenth century Pope Gregory IX dealt an especially severe blow at commerce by his declaration that even to advance on interest the money necessary in maritime trade was damnable usury. This idea was still more firmly fastened upon the world by the two greatest thinkers of the time: first, by St. Thomas Aquinas, who knit it into the mind of the Church by the use of the Scriptures and of Aristotle; and next by Dante, who pictured money-lenders in one of the worst parts of hell.

At the beginning of the fourteenth century the Council of

ix, in Migne, tome xliii. For Lactantius, see *Lact., Opera*, Leyden, 1660, p. 608. For Cyprian, see his *Testimonies* against the Jews, translated by Wallis, Book III, article 48. For St. Jerome, see his *Com. in Ezekiel*, xviii, 8, in Migne, tome xxv, pp. 170 *et seq.* For Leo the Great, see his Letter to the Bishops of various provinces of Italy, cited in *Jus Can.*, cap. vii, can. xiv, qu. 4. For very fair statements of the attitude of the fathers on this question, see Addis and Arnold, *Catholic Dictionary*, London, 1884, and Smith and Cheetham, *Dictionary of Christian Antiquities*, Hartford, 1880, in each under article *Usury*.

Vienne, presided over by Pope Clement V, declared that if any one "shall pertinaciously presume to affirm that the taking of interest for money is not a sin, we decree him to be a heretic, fit for punishment." This infallible utterance bound the dogma with additional force on the conscience of the universal Church.

Nor was this a doctrine enforced only by rulers; the people were no less strenuous. In 1390 it was enacted by the city authorities of London that "if any person shall lend or put into the hands of any person gold or silver to receive gain thereby, such person shall have the punishment for usurers." And in the same year the Commons prayed the king that the laws of London against usury might have the force of statutes throughout the realm.

In the fifteenth century the Council of the Church at Salzburg excluded from communion and burial any who took interest for money, and this was a very general rule throughout Germany.

An exception was, indeed, sometimes made: some canonists held that Jews might be allowed to take interest, since they were to be damned in any case, and their monopoly of money-lending might prevent Christians from losing their souls by going into the business. Yet even the Jews were from time to time punished for the crime of usury, and, both as regards Jews and Christians, punishment was bestowed on the dead as well as the living; the bodies of dead money-lenders being here and there dug up and cast out of consecrated ground.

The popular preachers constantly declaimed against all who took interest. The mediæval anecdote books for pulpit use are especially full on this point. Jacques de Vitry tells us that demons on one occasion filled a dead money-lender's mouth with red-hot coins; Cæsar, of Heisterbach, declared that a toad was found thrusting a piece of money into a dead usurer's heart; in another case, a devil was seen pouring molten gold down a dead money-lender's throat.*

* For an enumeration of councils condemning the taking of interest for money, see Liégeois, *Essai sur l'histoire et la législation de l'usure*, Paris, 1865, p. 78; also the Catholic Dictionary as above. For curious additional details and sources regarding mediæval horror of usurers, see Ducange, *Glossarium*, etc., article *Caorcini*. The date, 306, for the Council of Elvira is that assigned by Hefele. For the decree of Alexander III, see citation from the Latin text in Lecky. For a long catalogue of ecclesiastical and civil decrees against taking of interest, see Petit, *Traité de l'Usure*, Paris, 1840. For the reasoning at bottom of this, see Cunningham, *Christian Opinion upon Usury*, London, 1884. For the Salzburg decrees, see Zillner, *Salzburgische Culturgeschichte*, p. 232; and for Germany generally, see Neumann, *Geschichte des Wuchers im Deutschland*, Halle, 1865, especially p. 22 *et seq.*; also Roscher, *National Oeconomie*. For effect of mistranslation of the passage of Luke in the Vulgate, see Döllinger, p. 170, and especially pp. 224, 225. For the capitularies of Charlemagne against usury, see Liégeois, p. 77. For Peter Lombard, see his *Lib. Sententiarum*, lib. iii, dist. XXXVII, 3. For St. Thomas Aquinas, see his works, Migne, vol.

This theological hostility to the taking of interest was imbedded firmly in the canon law. Again and again it defined usury to be the taking of anything of value beyond the exact original amount of a loan; and under sanction of the universal Church it denounced this as a crime and declared all persons defending it to be guilty of heresy. What this meant the world knows but too well.

The whole evolution of European civilization was greatly hindered by this conscientious policy. Money could only be loaned in most countries at the risk of incurring odium in this world and damnation in the next; hence there was but little capital and few lenders. The rates of interest became at times enormous; as high as forty per cent in England, and ten per cent a month in Italy and Spain. Commerce, manufactures, and general enterprise were dwarfed, while pauperism flourished.

Yet worse than these were the moral results. Doing what one believes is evil is only second in bad consequences to doing what is really evil; hence, all lending and borrowing, even for the most legitimate purposes and at the most reasonable rates, tended to debase the character of both borrower and lender. The prohibition of interest for the use of money in continental Europe promoted luxury and discouraged economy, the rich, who were not engaged in business, finding no easy way of employing their savings productively.

One evil effect is felt in all parts of the world to this hour. The Jews, so strong in will and acute in intellect, were virtually drawn or driven out of all other industries or professions by the theory that their race, being accursed, was only fitted for the accursed profession of money-lending.*

iii, Paris, 1889, question 78, pp. 586 *et seq.*, citing the Scriptures and Aristotle, and especially developing Aristotle's metaphysical idea regarding the "barrenness" of money. For a very good summary of St. Thomas's ideas, see Pearson, pp. 30 *et seq.* For Dante, see in Canto XI of the *Inferno* a revelation of the amazing depth of the hostility to the taking of interest. For the London law of 1390 and the petition to the king, see Cunningham, *Growth of English Industry and Commerce*, pp. 210 and 326; also the *Abridgment of the Records in the Tower of London*, p. 339. For the theory that Jews, being damned already, might be allowed to practice usury, see Liégeois, *Histoire de l'Usure*, p. 82. For St. Bernard's view, see *Epist.* CCCLXIII, in Migne, tome clxxxii, p. 567. For ideas and anecdotes for preachers' use, see Joannes de San Geminiano, *Summa de Exemplis*, Antwerp, 1629, fol. 493, a; also an edition of Venice, 1584, pp. 132 and 159; but especially for multitudes of examples, see the *Exempla* of Jacques de Vitry, edited by Prof. T. F. Crane, of Cornell University, London, 1890, pp. 203 *et seq.* For the canon law in relation to usance, see a long line of authorities cited in *Die Wucherfrage*, St. Louis, 1869, pp. 92 *et seq.*, and especially *Decret. Gregor.*, lib. v, lit. 19, cap. iii, and *Clementin.* lib. v, lit. 5, sec. 2; see also the *Corpus Juris Canonici*, Paris, 1618, pp. 227, 228. For the position of the English Church, see Gibson's *Corpus Juris Ecclesiastici Anglicani*, pp. 1070, 1071, and 1106.

* For evil economic results, and especially for the rise of the rate of interest in England and elsewhere at times to forty per cent, see Cunningham, *Growth of English Industry and Commerce*, Cambridge, 1890, p. 189; and for its rising to ten per cent a month,

These evils seemed so manifest, when trade began to revive throughout Europe in the fifteenth century, that most earnest exertions were put forth to induce the Church to change its position.

The first important effort of this kind was made by John Gerson. His general learning made him Chancellor of the University of Paris; his sacred learning made him the leading orator at the Council of Constance; his piety led men to attribute to him *The Imitation of Christ*. Shaking off theological shackles, he declared: "Better is it to lend money at reasonable interest, and thus to give aid to the poor, than to see them reduced by poverty to steal, waste their goods, and sell at a low price their personal and real property."

But this idea was at once buried beneath citations from the Scriptures, from the fathers, councils, popes, and the canon law. Even in the most active countries there seemed to be no hope. In England, under Henry VII, Cardinal Morton, the lord chancellor, addressed Parliament, asking it to take into consideration loans of money at interest. The result was a law which imposed on lenders at interest a fine of a hundred pounds besides the annulment of the loan; and, to show that there was an offense against religion involved, there was added a clause "reserving to the Church, notwithstanding this punishment, the correction of their souls according to the laws of the same."

Similar enactments were made by civil authority in various parts of Europe; and just when the trade, commerce, and manufactures of the modern epoch had received an immense impulse from the great series of voyages of discovery by such men as Columbus, Vasco da Gama, Magellan, and the Cabots, this barrier against enterprise was strengthened by a decree from no less enlightened a pontiff than Leo X.

The popular feeling warranted such decrees. As late as the end of the middle ages, we find the people of Piacenza dragging the body of a money-lender out of his grave in consecrated ground and throwing it into the Po, in order to stop a prolonged rain-storm; and outbreaks of the same spirit are frequent in other countries.*

see Bédarride, *Les Juifs en France, en Italie et en Espagne*, p. 220. See also Hallam's *Middle Ages*, London, 1853, pp. 401, 402. For the evil moral effects of the Church doctrine against taking interest, see Montesquieu, *Esprit des Lois*, lib. xxi, chap. xx. See also Sismondi, cited in Lecky. For the trifling with conscience, distinction between "consumptibles" and "fungibles," "possessio" and "dominium," etc., see Ashley, *English Economic History*, New York, 1888, pp. 152, 153. For effects of these doctrines on the Jews, see Milman, *History of the Jews*, vol. iii, p. 179; also Wellhausen, *History of Israel*, London, 1885, p. 546; also Beugnot, *Les Juifs d'Occident*, Paris, 1824, B, p. 114 (on driving Jews out of other industries than money-lending).

* For Gerson's argument favoring a reasonable rate of interest, see Coquelin and Guil-

Another mode of obtaining relief was tried. Subtle theologians devised evasions of various sorts. Two among these inventions of the schoolmen obtained much notoriety.

The first was the doctrine of "*damnum emergens*": if a man, in order to loan money, was obliged to withdraw it from profitable business, and so suffer loss, it was claimed that he might demand of the borrower compensation for such loss. Equally cogent was the doctrine of "*lucrum cessans*": if a man, in order to loan money, was obliged to diminish his income from productive enterprises, it was claimed that he might receive in return, in addition to his money, an amount exactly equal to this diminution in his income.

But such evasions were looked upon with little favor by the great body of theologians, and the name of St. Thomas Aquinas was cited against them.

Opposition on scriptural grounds to the taking of interest was not confined to the older Church. Protestantism was led by Luther and several of his associates into the same line of thought and practice. Said Luther: "To exchange anything with any one and gain by the exchange is not to do a charity, but to steal. Every usurer is a thief worthy of the gibbet. I call those usurers who lend money at five or six per cent." But it is only just to say that at a later period Luther took a much more moderate view. Melancthon, defining usury as any interest whatever, condemned it again and again; and the Goldberg Catechism of 1558, for which he wrote a preface and recommendation, declares every person taking interest for money a thief; from generation to generation this doctrine was upheld by the more eminent divines of the Lutheran Church in all parts of Germany.

The English reformers showed the same hostility to interest-bearing loans. Under Henry VIII the law of Henry VII against taking interest had been modified for the better; but the revival of religious feeling under Edward VI caused in 1552 the passage

laumin, Dictionnaire, article Intérêt. For the renewed opposition to the taking of interest in England, see Craik, History of British Commerce, chap. vi. The statute cited is 3 Henry VII, chap. vi. It is found in Gibson's Corpus Juris Eccles. Anglic., p. 1071. For the adverse decree of Leo X, see Liégeois, p. 76. See also Lecky, Rationalism, vol. ii. For the dragging out of the usurer's body at Piacenza, see Burckhardt, The Renaissance in Italy, London, 1878, vol. ii, p. 339. For public opinion of similar strength on this subject in England, see Cunningham, p. 239; also Pike, History of Crime in England, vol. i, pp. 127, 193. For good general observations on the same, see Stephen, History of Criminal Law in England, London, 1883, vol. iii, pp. 195-197. For usury laws in Castile and Aragon, see Bédarride, pp. 191, 192. For exceedingly valuable details as to the attitude of the mediæval Church, see Léopold Delisle, Études sur la Classe Agricole en Normandie au Moyen Âge, Evreux, 1851, pp. 200 *et seq.*, also p. 468. For penalties in France, see Matthew Paris, Chronica Majora, in Master of the Rolls series, especially vol. iii, pp. 191, 192.

of the "Bill of Usury." In this it is said, "Forasmuch as usury is by the word of God utterly prohibited, as a vice most odious and detestable, as in divers places of the Holy Scriptures it is evident to be seen, which thing by no godly teachings and persuasions can sink into the hearts of divers greedy, uncharitable, and covetous persons of this realm, nor yet, by any terrible threatenings of God's wrath and vengeance," etc., it is enacted that whosoever shall thereafter lend money "for any manner of usury, increase, lucre, gain, or interest, to be had, received, or hoped for," shall forfeit principal and interest, and suffer imprisonment and fine at the king's pleasure.*

But, most fortunately, it happened that Calvin, though at times stumbling over the usual texts against the usance of money, turned finally in the right direction. He cut through the metaphysical arguments of Aristotle, and characterized the mass of subtleties devised to evade the Scriptures as "a childish game with God." In place of these subtleties, there was developed among Protestants a serviceable fiction—the statement that usury means *illegal or oppressive interest*. Under the action of this fiction, commerce and trade revived rapidly in Protestant countries, though with occasional checks from exact interpreters of Scripture. At the same period in France, the great Protestant jurist, Dumoulin, brought all his legal learning and skill in casuistry to bear on the same side. A certain ferret-like acuteness and litheness seem to have enabled him to hunt down the opponents of usance through the most tortuous arguments of scholasticism.

In England the struggle went on with varying fortune; statesmen on one side, and theologians on the other. We have seen how under Henry VIII interest was allowed at a fixed rate, and how the development of English Protestantism having at first strengthened the old theological view, there was, under Edward VI, a temporarily successful attempt to forbid usance by law. The Puritans, dwelling on Old Testament texts, continued for a considerable time especially hostile to the taking of any interest. Henry Smith, a noted preacher, thundered from the pulpit of St. Clement Danes in London against "the evasions of Scripture" which permitted men to loan money on interest at all. In answer to the contention that only "biting" usury was oppress-

* For Luther's views see his sermon, *Von dem Wucher*, Wittenberg, 1519, also the *Tischreden*, cited in Coquelin and Guillaumin, article *Intérêt*. For the later more moderate views of Luther, Melanchthon, and Zwingli, making a compromise with the needs of society, see Böhm-Bawerk, p. 27, citing Wiskemann. For Melanchthon and a long line of the most eminent Lutheran divines who have denounced the taking of interest, see *Die Wucherfrage*, St. Louis, 1869, pp. 94 *et seq.* For the law against usury under Edward VI, see Cobbett's *Parliamentary History*, vol. i, p. 596; see also Craik, *History of British Commerce*, chap. vi.

ive, Wilson, a noted upholder of the strict theological view in political economy, declared: "There is difference in deed between the bite of a dogge and the bite of a flea, and yet, though the flea doth lesse harm, yet the flea doth bite after hir kinde, yea, and draweth blood, too. But what a world this is, that men will make sin to be but a flea-bite, when they see God's word directly against them."

The same view found strong upholders among contemporary English Catholics. One of the most eminent of these, Nicholas Sanders, revived very vigorously the use of an old scholastic argument. He insisted that "man can not sell time," that time is not a human possession, but something which is given by God alone: he declared, "Time was not of your gift to your neighbor, but of God's gift to you both."

In the Parliament of the period, we find strong assertions of the old idea, with constant reference to Scripture and the fathers. In one debate, Wilson cited from Ezekiel and other prophets and attributed to St. Augustine the doctrine that "to take but a cup of wine is usury and damnable." Fleetwood recalled the law of King Edward the Confessor, which submitted usurers to the ordeal.

But arguments of this sort had little influence upon Elizabeth and her statesmen. They re-established the practice of the taking of interest under restrictions, and this, in various forms, has remained in England ever since. Most notable in this phase of the evolution of scientific doctrine in political economy at that period is the emergence from the political chaos of a recognized difference between *usury* and *interest*. Between these two words, which had so long been synonymous, a distinction now appears: the former being construed to indicate oppressive interest, and the latter just rates for the use of money. This idea gradually sank into the popular mind of Protestant countries, and the scriptural texts no longer presented any difficulty to the people at large, since there grew up a general belief that the word "usury," as used in Scripture, had always meant exorbitant interest. Still, that the old Aristotelian quibble had not been entirely forgotten, is clearly seen by various passages in Shakespeare's Merchant of Venice. But this line of reasoning seems to have received its quietus from Lord Bacon. He did not indeed develop a strong and connected argument on the subject, but he burst the bonds of Aristotle, and based usance for money upon natural laws. How powerful the new current of thought was, is seen from the fact that James I, of all monarchs the most fettered by scholasticism and theology, sanctioned a statute dealing with interest for money as absolutely necessary. Yet, even after this, the old idea asserted itself, for the bishops utterly refused to agree

to the law allowing interest until a proviso was inserted that "nothing in this law contained shall be construed or expounded to allow the practice of usury in point of religion or conscience." The old view cropped out from time to time in various public declarations. Among these was the book of John Blaxton, an English clergyman, who in 1634 published his *Usury Condemned*. In this, he defines usury as the taking of any interest whatever for money, citing in support of this view six archbishops and bishops and over thirty doctors of divinity in the Anglican Church—some of their utterances being very violent and all of them running their roots down into texts of Scripture. Typical among these is a sermon of Bishop Sands, in which he declares, regarding the habit of taking interest: "This canker that hath corrupted all England; we shall doe God and our country true service by taking away this evill; repress it by law, else the heavy hand of God hangeth over us and will strike us."

But departures from the strict scriptural doctrines regarding interest soon became frequent in Protestant countries. They appear to have been first followed up with vigor in Holland. Various theologians in the Dutch Church attempted to assert the scriptural view by excluding bankers from the holy communion, but the commercial vigor of the republic was too strong: Salmاسius led on the forces of right reasoning brilliantly and by the middle of the seventeenth century the question was settled rightly in that country. This work was aided, indeed, by a far greater man—Hugo Grotius; but here was shown the power of an established dogma. Great as Grotius was—and though it may well be held that his book on *War and Peace* has wrought more benefit to humanity than any other attributed to human authorship—he was, in the matter of usance for money, too much entangled in theological reasoning to do justice to his cause or to himself. He declared the prohibition of interest to be scriptural, but resisted the doctrine of Aristotle, and allowed usance on certain natural and practical grounds.

In Germany the struggle lasted longer. Of some little significance, perhaps, is the demand of Adam Contzen, in 1629, that lenders at interest should be punished as thieves; but by the end of the seventeenth century Puffendorf and Leibnitz had gained the victory.

Protestantism, open as it was to the currents of modern thought, could not long continue under the dominion of ideas unfavorable to economic development, and perhaps the most remarkable example of this was presented early in the eighteenth century by no less strict a theologian than Cotton Mather. In his *Magnalia* he argues against the whole theological view with a boldness, acute-

ness, and good sense which cause us to wonder that this can be the same man who was so infatuated regarding witchcraft. After an argument so conclusive as his, there could have been little left of the old anti-economic doctrine in New England.*

But while the retreat in the Protestant Church was henceforth easy, in the Catholic Church it was far more difficult. Infallible popes and councils, saints, fathers, and doctors, had so constantly declared the taking of any interest at all to be contrary to Scripture, that the more exact though less fortunate interpretation of the sacred text relating to interest continued in Catholic countries. When it was attempted in France in the seventeenth century to argue that usury "means oppressive interest," the Theological Faculty of the Sorbonne declared that usury is the taking of any interest at all, no matter how little, and the eighteenth chapter of Ezekiel was cited to clinch this argument.

Another attempt to ease the burden of industry and commerce was made by declaring that "usury means interest demanded not as a matter of favor, but as a matter of right." This, too, was solemnly condemned by Pope Innocent XI.

Again, an attempt was made to find a way out of the difficulty by declaring that "usury is interest greater than the law allows." This, too, was condemned, and so also was the declaration that "usury is interest on loans not for a fixed time."

Still, the forces of right reason pressed on, and, among them, in the seventeenth century, in France, was Richard Simon. He attempted to gloss over the declarations of Scripture against usance in an elaborate treatise, but was immediately confronted by Bossuet, the greatest of French bishops, one of the keenest and strongest of thinkers. Just as Bossuet had mingled Script-

* For Calvin's views, see his letter published in the appendix to Pearson's *Theories on Usury*. His position is well stated in Böhm-Bawerk, pp. 28 *et seq.*, where citations are given. See also *Economic Tracts*, No. IV, New York, 1881, pp. 34, 35; and for some serviceable Protestant fictions, see Cunningham, *Christian Opinion on Usury*, pp. 60, 61. For Dumoulin (Molinæus), see Böhm-Bawerk, as above, pp. 29 *et seq.* For debates on usury in British Parliament in Elizabeth's time, see Cobbett, *Parliamentary History*, vol. i, pp. 756 *et seq.* The passage in Shakespeare is in the *Merchant of Venice*, Act I, Scene III: "If thou wilt lend this money, lend it not as to thy friend; for when did friendship take a breed for barren metal from his friend?" For the right direction taken by Lord Bacon, see Neumann, *Geschichte des Wuchers in Deutschland*, Halle, 1865, pp. 497, 498. For Grotius, see the *De Jure Belli ac Pacis*, lib. ii, cap. xii; and for Salmasius and others mentioned, see Böhm-Bawerk, pp. 34 *et seq.*, also Lecky, vol. ii, p. 256. For the saving clause inserted by the bishops in the statute of James I, see the *Corpus Juris Eccles. Anglic.*, p. 1071; also Murray, *History of Usury*, Philadelphia, 1866, p. 49. For Blaxton, see his *English Usurer*; or, *Usury Condemned*, by John Blaxton, Preacher of God's Word, London, 1634. Blaxton gives some of Calvin's earlier utterances against interest. For Bishop Sands's sermon, see p. 11. For Cotton Mather's argument, see the *Magnalia*, London, 1702, pp. 51, 52.

ure with astronomy and opposed the Copernican theory, so now he mingled Scripture with political economy and denounced the lending of money at interest. He called attention to the fact that the Scriptures, the councils of the Church from the beginning, the popes, the fathers, had all interpreted the prohibition of "usury" to be a prohibition of any lending at interest; and he demonstrated this interpretation to be the true one. Simon was put to confusion and his book condemned.

There was but too much reason for Bossuet's interpretation. There stood the fact that the prohibition of one of the most simple and beneficial principles in political and economical science was affirmed, not only by the fathers, but by twenty-eight councils of the Church, six of them general councils, and by seventeen popes, to say nothing of innumerable doctors in theology and canon law. And these prohibitions by the Church had been accepted as of divine origin by all obedient sons of the Church in the Government of France. Such rulers as Charles the Bald in the ninth century, and St. Louis in the thirteenth, had riveted this idea into the civil law so firmly that it seemed impossible ever to detach it.*

As might well be expected, Italy was one of the countries in which the theological theory regarding usance was most generally asserted and assented to. Among the great number of Italian canonists who supported the theory, two deserve especial mention, as affording a contrast to the practical manner in which the commercial Italians met the question.

In the sixteenth century, very famous among canonists was the learned Benedictine, Vilagut. In 1589 he published at Venice his great work on usury, supporting with much learning and vigor the most extreme theological consequences of the old doctrine. He defines usury as the taking of anything beyond the original loan, and declares it mortal sin; he advocates the denial to usurers of Christian burial, confession, the sacraments, absolution, and connection with the universities; he declares that priests receiving offerings from usurers should refrain from exercising their ministry until the matter is passed upon by the bishop.

About the middle of the seventeenth century another ponder-

* For the declaration of the Sorbonne in the seventeenth century against any taking of interest, see Lecky, *Rationalism*, vol. ii, p. 248, note. For the special condemnation by Innocent XI, see *Damnatae Theses*, Pavia, 1715, pp. 112-114. For consideration of various ways of escaping the difficulty regarding interest, see Lecky, *Rationalism*, vol. ii, pp. 249, 250. For Bossuet's strong declaration against taking interest, see *Œuvres de Bossuet*, edition of 1845, vol. xi, p. 330, and edition of 1846, vol. ix, p. 49 *et seq.* For the number of councils and popes who condemned usury, see Lecky, *Rationalism*, vol. ii, p. 255, note, citing Concina.

ous folio was published in Venice upon the same subject and with the same title, by Onorato Leotardo. So far from showing any signs of yielding, he is even more extreme than Vilagut had been, and quotes with approval the old declaration that lenders of money at interest are not only robbers but murderers.

So far as we can learn, no real opposition was made in either century to this theory, as a theory; as to *practice*, it was different. The Italian bankers and traders did not answer the theological argument; they simply overrode it. Nowhere was commerce carried on in more complete defiance of this and other theological theories hampering trade than in the very city where these great treatises were published. The sin of usury, like the sin of commerce with the Mohammedans, seems to have been settled for by the Venetian merchants on their death-beds, and greatly to the advantage of the magnificent churches and ecclesiastical adornments of the city.

But in the eighteenth century there came a change. The first effective onset of political scientists against the theological opposition in southern Europe was made in Italy; the most noted leaders in the attack being Galiani and Maffei.

Here and there feeble efforts were made to meet them, but it was felt more and more by thinking churchmen that entirely different tactics must be adopted.

About the same time came an attack in France, and, though its results were less immediate at home, they were much more effective abroad. In 1748 appeared Montesquieu's *Spirit of the Laws*. In this famous book were concentrated twenty years of study and thought by a great thinker on the interests of the world about him. In eighteen months it went through twenty-two editions; it was translated into every civilized language; and among the things on which Montesquieu brought his wit and wisdom to bear with especial force was the doctrine of the Church regarding interest on loans. In doing this he was obliged to use a caution in forms which seems strangely at variance with the boldness of his ideas. In view of the strictness of ecclesiastical control in France, he felt it safest to make his whole attack upon those theological and economic follies of Mohammedan countries which were similar to those which the theological spirit had fastened on France.*

By the middle of the eighteenth century the Church authorities at Rome clearly saw the necessity of a concession: the world would endure theological restriction no longer; a way of escape

* For Vilagut, see his *Tractatus de Usuris*, Venice, 1589, especially pp. 21, 25, and 399. For Leotardus, see his *De Usuris*, Venice, 1655, especially preface, pp. 6, 7 *et seq.* For the eighteenth century attack in Italy, see Böhm-Bawerk, pp. 48 *et seq.* For Montesquieu's view of interest on loans, see the *Esprit des Lois*.

must be found. It was seen even by the most devoted theologians that mere denunciations and use of theological arguments or scriptural texts against the scientific idea were futile.

To this feeling it was due that, even in the first years of the century, the Jesuit casuists had come to the rescue. With exquisite subtlety some of their acutest intellects devoted themselves to explaining away the utterances on this subject of saints, fathers, doctors, popes, and councils. These explanations were wonderfully ingenious, but many of the older churchmen continued to insist upon the orthodox view, and at last the Pope himself intervened. Fortunately for the world, the seat of St. Peter was then occupied by Benedict XIV, certainly one of the most gifted, morally and intellectually, in the whole line of Roman pontiffs: tolerant and sympathetic for the oppressed, he saw the necessity of taking up the question, and he grappled with it effectually. While severe against exorbitant usury, he rendered to Catholicism a service like that which Calvin had rendered to Protestantism, by quietly but vigorously cutting a way through the theological barrier. In 1745 he issued his encyclical, *Vix pervenit*, which declared that the doctrine of the Church remained consistent with itself; that usury is indeed a sin, and that it consists in *demanding any amount beyond the exact amount lent*, but that there are occasions when on special grounds the lender may obtain such additional sum.

What these "occasions" and "special grounds" might be, was left very vague; but this action was sufficient.

At the same time no new restrictions upon books advocating the taking of interest for money were imposed, and the Pope openly accepted the dedication of one of them.

Like the casuistry of Bosovich in using the Copernican theory for "convenience in argument," while acquiescing in its condemnation by the Church authorities, this encyclical of Pope Benedict broke the spell. Turgot, Quesnay, Adam Smith, Hume, Bentham, and their disciples pressed on, and science won for mankind another great victory.*

* For Quesnay, see his *Observations sur l'Intérêt de l'Argent*, in his *Œuvres*, Frankfurt and Paris, 1888, pp. 399 *et seq.* For Turgot, see the *Collection des Économistes*, Paris, 1844, vols. iii and iv; also, Blanqui, *Histoire de l'Économie Politique*, English translation, p. 373. For an excellent though brief summary of the efforts of the Jesuits to explain away the old action of the Church, see Locky, vol. ii, pp. 256, 257. For the action of Benedict XIV, see Reusch, *Der Index der Verbotener Bücher*, Bonn, 1885, vol. ii, pp. 847, 848. For a comical picture of the "quagmire" into which the hierarchy brought itself in the squaring of its practice with its theory, see Döllinger as above, pp. 227, 228. For cunningly vague statements of the action of Benedict XIV, see Mastrofini, *Sur l'Usure*, French translation, Lyons, 1834, pp. 125 and 255. The abbé, as will be seen, has not the slightest hesitation in telling an untruth, in order to preserve the consistency of papal action in the matter of usury; e. g., pp. 93, 94, 96, and elsewhere.

Yet in this case, as in others, insurrections against the sway of scientific truth appeared among some overzealous religionists. When the Sorbonne, having retreated from its old position, armed itself with new casuistries against those who held to its earlier decisions, sundry provincial doctors in theology protested indignantly, making the old citations from the Scriptures, fathers, saints, doctors, popes, councils, and canonists. Again the Roman court intervened. In 1830 the Inquisition at Rome, with the approval of Pius VIII, though still declining to commit itself on the *doctrine* involved, decreed that, as to *practice*, confessors should no longer disturb lenders of money at legal interest.

But even this did not quiet the more conscientious theologians. The old weapons were again furbished and hurled by the Abbé Laborde, Vicar of the Metropolitan Archdiocese of Auch, and by the Abbé Dénnavit, Professor of Theology at Lyons. Good Abbé Dénnavit declared that he refused absolution to those who took interest and to priests who pretend that the sanction of the civil law is sufficient.

But the "wisdom of the serpent" was again brought into requisition, and early in the decade between 1830 and 1840 the Abbate Mastrofini issued a work on usury, which, he declared on its title-page, demonstrated that "moderate usury is not contrary to Holy Scripture, or natural law, or the decisions of the Church." Nothing can be more comical than the suppressions of truth, evasions of facts, jugglery with phrases, and perversions of history, to which the good abbate is forced to resort throughout his book in order to prove that the Church has made no mistake. In the face of scores of explicit deliverances and decrees of fathers, doctors, popes, and councils, against the taking of any interest whatever for money, he coolly pretended that what they had declared against was *exorbitant* interest. He made a merit of the action of the Church, and showed that its course had been a blessing to humanity. But his masterpiece is in dealing with the edicts of Clement V and Benedict XIV. As to the first, it will be remembered that Clement, in accord with the Council of Vienne, had declared that "any one who shall pertinaciously presume to affirm that the taking of interest for money is not a sin, we decree him to be a heretic, fit for punishment," and we have seen that Benedict XIV did not at all deviate from the doctrines of his predecessors. Yet Mastrofini is equal to his task, and brings out, as the conclusion of his book, the statement put upon his title-page that what the Church condemns is only *exorbitant* interest.

This work was sanctioned by various high ecclesiastical dignitaries, and served its purpose, for it covered the retreat of the Church.

In 1873 appeared a book published under authority from the

Holy See, allowing the faithful to take moderate interest under condition that any future decisions of the Pope should be implicitly obeyed. Social science as applied to political economy had gained a victory final and complete. The Torlonia family at Rome to-day, with its palaces, chapels, intermarriages, affiliations, and papal favor—all won by lending money at interest and by devotion to the Roman See—is but one out of many growths of its kind on ramparts long since surrendered and deserted.*

The dealings of theology with public economy were by no means confined to the taking of interest for money. It would be interesting to note the restrictions placed upon commerce by the Church prohibition of commercial intercourse with infidels, against which the Republic of Venice fought a good fight; to note how, by a most curious perversion of Scripture in the Greek Church, many of the peasantry of Russia were prevented from raising and eating potatoes; how, in Scotland, at the beginning of this century, the use of fanning-mills for winnowing grain was widely denounced as contrary to the text, "The wind bloweth where it listeth," etc., as leaguings with Satan, who is "prince of the powers of the air," and therefore as sufficient cause for excommunication from the Scotch Church. Instructive it would be also to note how the introduction of railways was declared by an archbishop of the French Church to be an evidence of the divine displeasure against country innkeepers who set meat before their guests on fast-days, and who were now punished by seeing travelers carried by their doors; how railways and telegraphs were denounced from a few noted pulpits as heralds of Anti-christ; and how in Protestant England the curate of Rotherhithe, at the breaking in of the Thames Tunnel, so destructive to life and property, declared it from his pulpit a just judgment upon the presumptuous aspirations of mortal man.

The same tendency is seen in the opposition of conscientious men to the taking of the census in Sweden and the United States,

* For the decree forbidding confessors to trouble lenders of money at legal interest, see Addis and Arnold, *Catholic Dictionary*, as above; also Mastrofini, as above, in the appendix, where various other recent Roman decrees are given. As to the controversy generally, see Mastrofini; also *La Replique des douze Docteurs*, cited by Guillaumin and Coquelin; also Reusch, vol. ii, p. 850. As an example of Mastrofini's way of making black appear white, compare the Latin text of the decree on p. 97 with his statements regarding it; see also his cunning substitution of the new significance of the word usury for the old in various parts of his work. A good historical presentation of the general subject will be found in Roscher, *Geschichte der National-Oeconomie in Deutschland*, München, 1874, under articles *Wucher* and *Zinsnehmen*. For France, see especially Petit, *Traité de l'Usure*, Paris, 1840; and for Germany see Neumann, *Geschichte des Wuchers in Deutschland*, Halle, 1865. For the view of a modern leader of thought in this field, see Jeremy Bentham, *Defense of Usury*, Letter X.

on account of the terms in which the numbering of Israel is spoken of in the Old Testament. Religious scruples on similar grounds have also been avowed against so beneficial a thing as life insurance.

Apparently unimportant as these manifestations are, they indicate a wide-spread tendency in the application of scriptural declarations to matters of social economy which has not yet ceased, though it is fast fading away.*

Worthy of especial study, too, would be the evolution of the better modern methods of raising and bettering the condition of the poor; the evolution, especially, of the idea that men are to be helped to help themselves, in opposition to the old theories of indiscriminate giving, which, taking root in some of the most beautiful utterances of our sacred books, grew in the warm atmosphere of mediæval devotion into great systems for the pauperizing of the laboring classes. Here, too, scientific modes of thought in social science have given a new and nobler fruitage to the whole growth of Christian benevolence.†

* For various interdicts laid on commerce by the Church, see Heyd, *Histoire du Commerce du Levant au Moyen-Age*, Leipsic, 1886, vol. ii, *passim*. For the injury done to commerce by prohibition of intercourse with the infidel, see Lindsay, *History of Merchant Shipping*, London, 1874, vol. ii. For superstitions regarding the introduction of the potato, and the name "devil's root" given it, see Hellwald, *Culturgeschichte*, vol. ii, p. 476; also Haxthausen, *La Russie*. For opposition to winnowing machines, see Burton, *History of Scotland*, vol. viii, p. 511; also Lecky, *Eighteenth Century*, vol. ii, p. 83; also Mause Headrigg's views in Scott's *Old Mortality*, chap. vii. For the case of a person debarred from the communion for "raising the devil's wind" with a winnowing machine, see Works of Sir J. Y. Simpson, vol. ii. Those doubting the authority or motives of Simpson may be reminded that he was to the day of his death one of the strictest adherents to Scotch orthodoxy. As to the curate of Rotherhithe, see *Journal of Sir I. Brunel* for May 20, 1827, in *Life of I. K. Brunel*, p. 30. As to the conclusions drawn from the numbering of Israel, see Michaelis, *Commentaries on the Laws of Moses*, 1874, vol. ii, p. 3. The author of this work himself witnessed the reluctance of a very conscientious man to answer the questions of a census marshal, Mr. Lewis Hawley, of Syracuse, N. Y.; and this reluctance was based upon the reasons assigned in 2 Samuel, xxiv, 1, and 1 Chronicles, xxi, 1, for the numbering of the children of Israel.

† Among the vast number of authorities regarding the evolution of better methods in dealing with pauperism, I would call attention to a recent work which is especially suggestive—Behrends, *Christianity and Socialism*, New York, 1886.

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